

Message Text

PAGE 01 STATE 008749
ORIGIN INR-07

INFO OCT-01 EUR-12 ISO-00 SS-15 CIAE-00 PM-04 L-03 ACDA-07
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FM SECSTATE WASHDC
TO USMISSION NATO
INFO AMEMBASSY WARSAW
AMEMBASSY MOSCOW

C O N F I D E N T I A L STATE 008749

E.O. 11652:GDS

TAGS: NATO, PFOR, PINT, PL

SUBJECT: NATO STUDY ON THE SITUATION IN POLAND

-

REF: STATE 1475

PER REFTTEL, TRANSMITTED BELOW IS UPDATED ASSESSMENT OF
SITUATION IN POLAND. MISSION AUTHORIZED TO CIRCULATE
PAPER IN POLADS AS US CONTRIBUTION TO SUBJECT STUDY.
WE WOULD APPRECIATE RECEIVING AS SOON AS AVAILABLE CON-
TRIBUTIONS BY THE OTHER ALLIES. IF LENGTH OF NATIONAL
CONTRIBUTIONS BARS CABLING, REQUEST MISSION PROVIDE
SUMMARIES.

BEGIN TEXT: POLAND: STRENGTHENED GIEREK MOVES TO RESTORE
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-- PUBLIC CONFIDENCE

1. BOLSTERED BY THE ENDORSEMENT AND ECONOMIC/FINANCIAL
ASSISTANCE HE RECEIVED FROM MOSCOW IN NOVEMBER, GIEREK
IN EARLY DECEMBER MOVED TO REINFORCE HIS OWN AND THE
PARTY'S STANDING AND TO DEFUSE CONFRONTATION WITH AN
INCREASINGLY ALIENATED PUBLIC BY:

--OUTLINING HIS NEW CONSUMER-ORIENTED POLICIES IN A
SCALED-DOWN FIVE-YEAR PLAN (1976-1980); AND

--EFFECTING PERSONNEL CHANGES IN BOTH PARTY AND GOVERNMENT HIERARCHIES.

THE GIEREK REGIME HOPES THAT WITHIN THE NEXT TWO YEARS THESE MEASURES WILL HELP RESTORE THE DEGREE OF POPULARITY IT ENJOYED BEFORE LAST JUNE'S PRICE-RISE FIASCO. IN SUBSEQUENT MOVES DESIGNED TO ASSUAGE PUBLIC OPINION IN THE FACE OF GROWING ASSERTIVENESS BY THE CATHOLIC CHURCH AND THE WORKERS' DEFENSE COMMITTEE, THE UNOFFICIAL OPPOSITION GROUP SET UP TO AID WORKERS JAILED OR DISMISSED AFTER THE JUNE RIOTS, THE REGIME CONTINUED TO REVIEW AND SUSPEND PRISON SENTENCES METED OUT TO WORKERS CONVICTED AFTER THE JUNE FOOD RIOTS.

2. CENTRAL COMMITTEE APPROVES GIEREK'S MEASURES. ADOPTED AT THE DECEMBER 1-2 CENTRAL COMMITTEE PLENUM AND FORMALLY APPROVED BY THE SEJM IMMEDIATELY THEREAFTER, GIEREK'S PROGRAM AIMS AT REGAINING PUBLIC SUPPORT THROUGH A SERIES OF CONSUMER-ORIENTED MODIFICATIONS IN THE CURRENT ECONOMIC FIVE-YEAR PLAN. THE MEASURES ALSO REFLECT ON THE DAMAGE CAUSED BY THE COLLAPSE OF LAST JUNE'S PRICE-RISE ATTEMPT. BECAUSE OF ITS INABILITY--FOR ESSENTIALLY POLITICAL REASONS --TO CUT THE AMOUNT OF FOOD-PRICE SUBSIDIES AND BRING COSTS OF GOODS PRODUCED AND PRICES PAID FOR THEM INTO ALIGNMENT, THE REGIME WAS COMPELLED TO PARE DOWN CONSIDER-
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ABLY THE AMBITIOUS ECONOMIC DEVELOPMENT GOALS IT HAS PURSUED SINCE 1971. TO DO SO, THE GIEREK LEADERSHIP DECIDED TO:

--REDUCE TOTAL INVESTMENT, AS A SHARE OF NATIONAL INCOME, FROM 35 PERCENT IN 1975 TO 27.4 PERCENT IN 1977 AND EVEN LOWER IN SUCCESSIVE YEARS OF THE CURRENT FIVE-YEAR PLAN;

--INCREASE INVESTMENT FOR HOUSING AND FOOD INDUSTRIES (43 PERCENT OF TOTAL) AND OTHER CONSUMER BRANCHES AT THE EXPENSE OF INVESTMENT IN HEAVY INDUSTRY;

--STIMULATE AND EXPAND THE SCOPE OF PRIVATE ENTERPRISE IN THE SERVICE AND AGRICULTURAL SECTORS THROUGH A VARIETY OF TAX AND OTHER INCENTIVES; AND

--HOLD DOWN THE RATE OF GROWTH OF IMPORTS TO 26 PERCENT OVER THE FIVE-YEAR PERIOD, AS COMPARED WITH ABOUT 200 PERCENT DURING THE 1971-1975 PLAN. THAT REDUCTION, TOGETHER WITH A HOPED-FOR 75-PERCENT INCREASE IN EXPORTS, IS PROJECTED TO RESULT IN A TRADE SURPLUS BY 1980.

3. THESE DECISIONS COME AT A TIME OF SOME IMPROVEMENT AND SOME DETERIORATION IN THE POLISH SITUATION.

--ON THE ONE HAND, THERE HAS BEEN SOME IMPROVEMENT IN THE MARKET SUPPLY SITUATION, INCLUDING THAT OF MEAT.

--ON THE OTHER, THE CATHOLIC CHURCH HIERARCHY HAS ONCE AGAIN DECIDED TO TAKE THE REGIME TO TASK ON THE ISSUE OF GREATER RELIGIOUS FREEDOMS AND THAT OF THE PERSECUTION OF WORKERS INVOLVED IN LAST JUNE'S RIOTING.

4. ALTHOUGH GIEREK WAS TIGHT-LIPPED ABOUT THE COUNTRY'S GROWING BALANCE-OF-PAYMENTS AND HARD-CURRENCY DEBT PROBLEMS, THE NEW EXPORT-IMPORT TARGETS ARE A CLEAR CONFIDENTIAL

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INDICATION THAT THE BOOM YEARS ARE OVER AND THAT AUSTERITY ON THE INVESTMENT FRONT AND GROWTH THROUGH PRODUCTIVITY WILL BE THE WATCHWORDS IN THE COMING YEARS. ACCORDING TO AVAILABLE INFORMATION, THE LEVEL OF EXPORTS TO THE "CAPITALIST WEST" IS TO ALMOST DOUBLE, WHILE IMPORTS ARE TO REMAIN AT THE SAME LEVELS. HOWEVER, EVEN UNDER THESE CONDITIONS--AND IT IS FAR FROM CERTAIN THAT THEY CAN BE ACHIEVED--HOPES FOR TURNING THE COUNTRY'S INCREASING NEGATIVE TRADE BALANCE INTO SURPLUS BY 1980 APPEAR UNWARRANTED.

5. THE REGIME, HOWEVER, CAN REASONABLY EXPECT TO ATTAIN A LIMITED DEGREE OF SUCCESS REGARDING ITS EFFORTS ON THE DOMESTIC FRONT. USING INCREASINGLY FRANK LANGUAGE ABOUT THE DIFFICULTIES FACING THE COUNTRY, GIEREK AND PREMIER JAROSZEWICZ SOUGHT TO ALLAY THE FEARS OF THE PUBLIC BY PROMISING NOT TO INCREASE FOOD PRICES FOR AT LEAST ANOTHER YEAR AND BY ANNOUNCING A SERIES OF IDEOLOGICALLY UNORTHODOX MEASURES DESIGNED TO BOOST THE LEVEL OF CONSUMER SUPPLY THROUGH EXPANSION OF THE PRIVATE SECTOR IN AGRICULTURE AND SERVICE INDUSTRIES.

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THE TRANSFERS FROM THE GOVERNMENT TO THE CENTRAL COMMITTEE SECRETARIAT OF OLSZOWSKI AND KARKOSZKA ARE CLEARLY PROMOTIONS, WHILE THE APPOINTMENTS OF POLITBURO

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7. GIEREK OBTAINS MOSCOW ASSISTANCE AND ENDORSEMENT. GIEREK'S TRIP TO THE SOVIET UNION, NOVEMBER 9-15, AT THE HEAD OF A JOINT PARTY-STATE DELEGATION APPEARS TO HAVE BEEN SUCCESSFUL IN THAT HE SECURED:

--BREZHNEV'S PERSONAL ENDORSEMENT FOR HIMSELF AND HIS DOMESTIC POLICIES SUBSEQUENTLY SURFACED AT THE DECEMBER CENTRAL COMMITTEE PLENUM; AND

--A SIZABLE AMOUNT OF ECONOMIC AID (ALLEGEDLY TOTALING \$1.3 BILLION) TO ALLEVIATE POLAND'S ACUTE ECONOMIC DIFFICULTIES.

8. NOTWITHSTANDING THE FIRST IMPRESSION OF A TRADE-OFF CONSISTING OF A CLOSER FOREIGN POLICY ALIGNMENT AND TIGHTER COORDINATION OF PLANNING AND "HIGHER FORMS OF ECONOMIC INTEGRATION" WITH MOSCOW AND CEMA, GIEREK'S LATEST MOVES AT THE CENTRAL COMMITTEE PLENUM AND OTHER DEVELOPMENTS SINCE THE VISIT BELIE SUCH A CONCLUSION. INDEED, IT APPEARS THAT MOSCOW'S PRIMARY CONCERN WAS ONE OF PROPPING UP AN EMBATTLED GIEREK REGIME TO AVOID THE RECURRENCE OF A DOMESTIC UPEHAVAL SIMILAR TO LAST JUNE'S RIOTS RATHER THAN THAT OF TIGHTENING THE SCREWS ON A POLITICALLY VOLATILE AND ECONOMICALLY VULNERABLE ALLY. THUS, WHILE IT IS QUITE LIKELY THAT THE SHARE OF POLISH TRADE CONDUCTED WITH CEMA PARTNERS, ESPECIALLY WITH THE USSR, WILL INCREASE IN THE COMING YEARS, SUCH A DEVELOPMENT WOULD SEEM TO BE RELATED MORE TO HAVING POLAND'S NEEDS MET BY ITS ALLIES THAN TO EXPANDED "ECONOMIC INTEGRATION." SIMILARLY, ANY CUTBACK IN POLISH IMPORTS FROM THE DEVELOPED WEST IS LIKELY TO BE THE RESULT OF POLAND'S OWN ECONOMIC CONSTRAINTS, RATHER THAN IMPOSED BY MOSCOW. SIGNIFICANTLY, HOWEVER, CONFIDENTIAL

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THE TRIP DOES APPEAR TO HAVE ENABLED GIEREK TO PROCEED WITH THE CONSOLIDATION OF HIS OWN POSITION, INCLUDING MOSCOW'S APPROVAL FOR HIS UNORTHODOX CONSUMER-ORIENTED POLICIES.

9. CHURCH AND INTELLECTUALS SIDE WITH WORKERS. THE TRADITIONAL CHURCH-STATE STRUGGLE FOR INFLUENCE OVER AND LOYALTY OF POLAND'S PREDOMINANTLY AND DEVOUTLY ROMAN CATHOLIC POPULATION HAS ASSUMED A NEW FORM SINCE THE JUNE RIOTS, WHEN THE CHURCH ESPOUSED THE CAUSE OF WORKERS PUNISHED FOR THEIR PARTICIPATION IN THE RIOTS. IN DOING

THIS, IT SIDED WITH A GROUP OF PROMINENT INTELLECTUALS WHO FORMED A WORKERS' DEFENSE COMMITTEE TO ASSIST IMPRISONED OR PERSECUTED RIOTERS.

10. ALTHOUGH THE CHURCH'S CAMPAIGN APPEARS TO HAVE GROWN MORE ACTIVE SINCE LATE NOVEMBER, THERE IS NOTHING TO SUGGEST THAT THE CHURCH, AND CARDINAL WYSZYNSKI IN PARTICULAR, HAS LOST THE TRADITIONAL CONCERN IT SHARES WITH THE GOVERNMENT THAT THE SOVIETS NOT BE PROVOKED TO INTERVENE IN POLAND. AT THE SAME TIME, THE CHURCH'S RENEWED ACTIVITY MAY BE EXPLAINED BY THE NOT-UNJUSTIFIED FEAR THAT ONCE THE REGIME CONSOLIDATES ITS CONTROL IT IS LESS LIKELY TO MOVE ON THE CHURCH'S LONG-VOICED DEMANDS FOR GREATER RELIGIOUS FREEDOM AND OTHER CONCESSIONS.

11. WHILE THE WEAKENED GIEREK LEADERSHIP CONTINUES TO MAINTAIN AN ATTITUDE OF OFFICIAL TOLERANCE TOWARD THE CHURCH CAMPAIGN, IT HAS DECIDED, SINCE DECEMBER, TO HARASS MEMBERS OF THE WORKERS' DEFENSE COMMITTEE IN AN OBVIOUS WARNING THAT THERE ARE LIMITS TO ITS TOLERANCE. AT THE SAME TIME THE AUTHORITIES CONTINUED TO REVIEW AND QUASH SENTENCES METED OUT EARLIER, NEVERTHELESS THE WORKERS DEFENSE COMMITTEE IS NOT LIKELY TO BE PLACATED; ACCORDING TO WESTERN NEWS REPORTS, A GROUP OF 172 DISSIDENT CONFIDENTIAL

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INTELLECTUALS IN EARLY JANUARY ADDRESSED AN APPEAL TO THE JM, CALLING ON ITS MEMBERS TO SET UP A COMMISSION OF INQUIRY INTO ALLEGED POLICE BRUTALITY AND OTHER ABUSES. AWARE THAT OVERREACTION TO PUBLIC CRITICISM COULD PRECIPITATE NEW OUTBREAKS OF DISORDER, THE LEADERSHIP IS NOT EXPECTED TO RESORT TO ADMINISTRATIVE MEASURES AGAINST THE DISSIDENTS AT THIS TIME.

12. PROSPECTS. THE RECENTLY ANNOUNCED MEASURES SUGGEST THAT GIEREK IS FULLY COMMITTED TO THE CONSUMER-ORIENTED POLICIES WHICH HE HAS PURSUED SINCE 1971 -- BUT THROUGH A MORE REALISTIC INDUSTRIAL MODERNIZATION PROGRAM AND A GREATLY EXPANDED ROLE FOR PRIVATE INITIATIVE. THE REGIME HOPES THAT THIS SCALED-DOWN DEVELOPMENT STRATEGY, TOGETHER WITH EXPECTATIONS OF IMPROVED LABOR PRODUCTIVITY, BETTER HARVESTS, AND CONTINUED RECOVERY IN THE WESTERN ECONOMIES, WILL BRING THE CURRENT ACUTE ECONOMIC-POLITICAL TENSIONS AND DIFFICULTIES UNDER MANAGEABLE PROPORTIONS WITHIN ONE TO TWO YEARS. ALTHOUGH THE DOMESTIC SITUATION IS REPORT-EDLY STILL VOLATILE,

THE MEASURES TAKEN, TOGETHER WITH GIEREK'S ENHANCED STATUE WITHIN THE PARTY AND GOVERNMENT, APPEAR--ON BALANCE--TO HAVE IMPROVED HIS REGIME'S CHANCES TO WEATHER THE CRISIS.

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C O N F I D E N T I A L STATE 008749

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QUOTE

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ACCORDING TO WESTERN NEWS REPORTS, A GROUP OF 172 DISSIDENT INTELLECTUALS IN EARLY JANUARY ADDRESSED AN APPEAL TO THE JM, CALLING ON ITS MEMBERS TO SET UP A COMMISSION OF INQUIRY INTO ALLEGED POLICE BRUTALITY AND OTHER ABUSES. AWARE THAT OVERREACTION TO PUBLIC CRITICISM COULD PRECIPITATE NEW OUTBREAKS OF DISORDER, THE LEADERSHIP IS NOT EXPECTED TO RESORT TO ADMINISTRATIVE MEASURES AGAINST THE DISSIDENTS AT THIS TIME.

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KISSINGER

UNQUOTE KISSINGER

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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Drafter: INR/RSE:FFOLDVARY:PF
Enclosure: n/a
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Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770193/baaevbg.tel
Line Count: 549
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
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